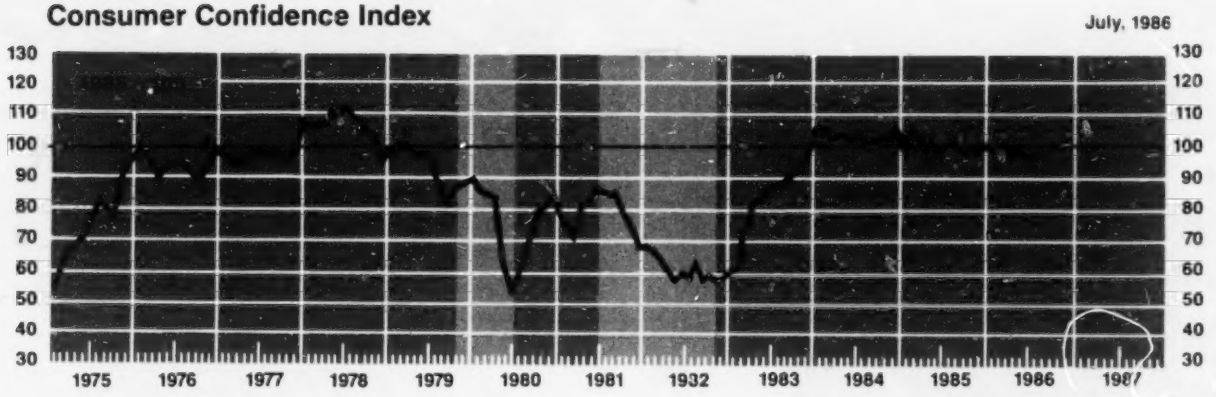
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index



CONSUMER CONFIDENCE AND PLANS TO BUY UNCHANGED

The Conference Board's Consumer Confidence Index (1985 = 100) registered 97.5 in June, substantially the same reading as reported in May. This series has been at about the same level since the beginning of the year. Buying plans in June did not registered much change either.

In evaluating the ongoing situation, marginally more respondents consider business conditions to be "good" than those holding the reverse view—28% compared with 23 percent. However, substantially more respondents complained that jobs are "hard to get" than the number saying they are "plentiful:" 32% compared with only 20 percent. This is about the same situation as a year ago.

Consumer expectations for the months ahead have also changed only slightly. About twice as many people believe that business conditions will improve as those who fear conditions will worsen over the next six months. This general pattern has prevailed for the past four or five months. There has recently been a slight increase in the number who believe more jobs will become available in the coming months. The proportion of those who expect their family income to increase has edged off slightly for the second consecutive month.

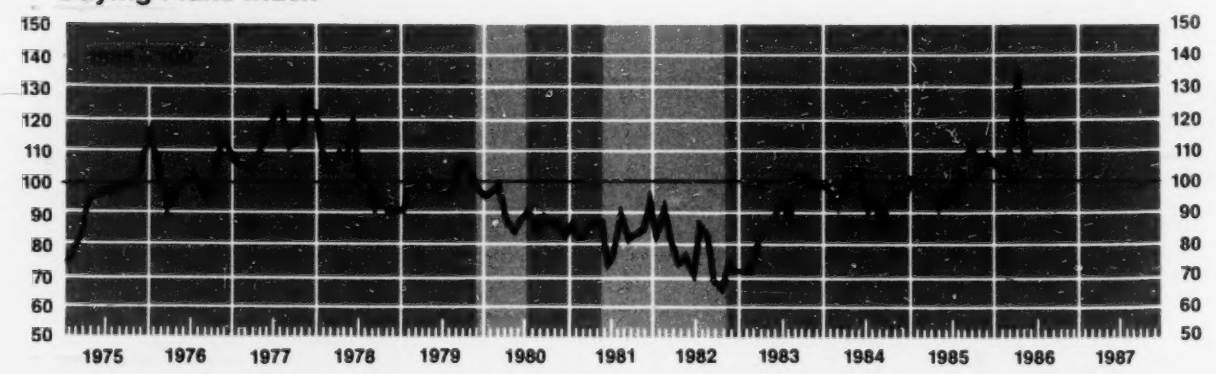
Buying plans are about the same as a month ago. Intentions to purchase automobiles were reported by 9.4% of all those contacted—about the same figure as recorded a month earlier, but stronger than this time last year.

Intentions to purchase homes are substantially ahead of a year ago. This series has been running strong over the past five months. Plans to buy appliances are roughly the same as in the preceding survey. Finally, over half of all respondents indicated they plan to go on a vacation during the next six months. This is a somewhat higher number than this time last year. However, the number planning to visit a foreign country is down quite sharply to 5.1%, compared with over 7% recorded a year ago. Plans to travel by air are also down.

The message from consumers continues to be neutral. Both their level of confidence and their plans to buy were substantially the same in June as in May. The consumer's spirits and plans to spend have now remained steady and at a fairly strong level since the beginning of the year.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1985 June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1986 Jan.	Feb.	Mar.	Apr.	May(r)	Jun (p)
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	100.0	101.2	99.6	98.9	99.3	98.7	99.8	97.8	96.9	96.9	99.0	97.2	97.5
Present Situation	99.9	101.2	95.2	97.4	100.6	99.7	101.3	100.4	97.8	95.0	100.7	100.2	98.3
Expectations	100.1	101.3	102.5	99.8	98.4	98.1	98.8	96.0	96.3	98.1	97.8	95.2	96.9
Buying Plans Index	96.3	93.1	98.4	107.3	110.3	101.2	108.8	105.6	103.9	101.9	135.3	108.9	111.1
Appraisal of Present Situation: Percent													
Business Conditions													
Good	28.6	27.9	26.2	26.6	28.2	27.4	28.7	27.3	26.4	26.5	29.5	28.4	28.0
Bad	20.5	20.5	23.4	21.8	21.4	21.3	21.0	21.8	21.8	22.9	23.1	22.6	23.0
Normal	50.9	51.6	50.4	51.6	50.4	51.3	50.3	50.9	51.8	50.6	47.4	49.0	49.0
Employment													
Jobs plentiful	19.2	19.3	18.9	19.6	19.8	19.5	19.7	19.6	18.8	19.6	20.4	20.6	20.0
Jobs not so plentiful	49.0	50.4	49.7	48.2	49.3	49.6	49.6	50.7	50.8	46.8	48.4	47.9	48.0
Jobs hard to get	31.8	30.3	31.4	32.2	30.9	30.9	30.7	29.7	30.4	33.6	31.2	31.5	32.0
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	20.7	20.0	21.8	20.8	22.0	19.9	19.7	18.1	18.4	20.6	22.8	20.0	20.5
Worse	8.8	8.1	8.7	8.9	10.8	9.1	8.5	8.7	8.4	9.1	11.3	10.0	9.2
Same	70.5	71.9	69.5	70.3	67.2	71.0	71.8	73.2	73.2	70.3	65.9	70.0	70.3
Employment													
More jobs	15.7	15.4	16.8	16.1	16.7	15.2	15.5	13.6	14.2	15.8	17.2	15.4	16.7
Fewer jobs	16.0	14.9	15.4	16.7	16.7	17.3	16.1	16.8	16.8	17.7	19.5	18.7	18.6
Same	68.3	69.7	67.8	67.2	66.6	67.5	68.4	69.6	69.0	66.5	63.3	65.9	64.7
Income													
Increase	27.4	26.1	27.3	28.0	27.4	29.8	26.7	28.2	26.6	25.8	30.7	27.3	26.7
Decrease	7.8	7.5	7.8	8.0	8.3	7.9	8.4	7.7	8.2	7.4	7.5	8.2	8.8
Same	64.8	66.4	64.9	64.0	64.3	62.3	64.9	64.1	65.2	66.8	61.8	64.5	64.5
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.2	8.1	8.5	10.6	8.9	9.1	10.2	9.0	8.8	8.9	11.4	9.6	9.4
New	4.7	5.1	5.0	6.0	5.1	5.3	5.4	5.1	4.4	4.7	5.9	5.8	5.1
Used	3.1	2.6	3.1	3.1	2.9	2.8	3.3	2.9	2.8	3.0	3.9	2.7	3.8
Uncertain	0.4	0.4	0.4	1.5	0.9	1.0	1.5	1.0	1.6	1.2	1.6	1.1	0.5
Home													
Yes	3.3	3.4	3.6	3.4	3.6	3.8	3.9	3.7	4.2	4.1	5.0	4.8	4.6
New	1.0	1.1	1.0	1.0	1.1	0.8	0.9	1.3	1.0	1.3	1.4	1.2	1.2
Lived in	1.5	1.5	1.5	1.6	1.7	1.9	2.1	2.0	2.0	2.1	2.2	2.1	2.0
Uncertain	0.8	0.8	1.1	0.8	0.8	1.1	0.9	0.4	1.2	0.7	1.4	1.5	1.4
Major appliances													
Total plans	27.9	27.8	27.8	28.4	35.9	28.5	29.8	34.5	30.2	27.8	43.4	28.6	27.5
Refrigerator	4.2	4.4	3.9	3.7	5.1	3.9	4.4	5.8	4.3	3.9	6.5	3.9	4.1
Washing machine	3.5	3.8	3.8	3.9	6.2	3.7	3.8	4.9	4.3	4.1	7.2	4.1	3.7
TV Set	8.3	8.0	8.2	8.2	10.7	8.8	9.2	9.8	9.2	8.3	13.5	7.6	7.0
Vacuum Cleaner	4.5	4.1	4.5	5.0	5.1	5.1	4.9	5.7	4.4	4.9	5.7	5.4	4.6
Range	2.7	3.0	3.0	2.7	3.2	2.7	3.0	3.0	2.5	2.0	3.6	2.8	2.8
Clothes dryer	3.1	3.1	2.8	3.4	4.1	2.9	3.1	3.8	3.4	3.5	5.0	3.4	3.4
Air conditioner	1.6	1.4	1.6	1.5	1.5	1.4	1.4	1.5	2.1	1.1	1.7	1.4	1.9
Carpet	7.4	7.6	7.1	7.0	8.7	6.7	6.6	7.3	6.9	7.0	9.1	6.6	8.0
Vacation Intended Within Six Months: Percent													
Vacation Intended	50.3		48.7		49.2		44.7		47.0		51.2		51.3
Destination													
Home state	9.7		9.4		8.8		8.0		9.2		10.9		11.5
Other state	35.2		34.0		35.4		32.2		31.9		35.5		36.3
Foreign country	6.9		7.1		6.0		5.9		7.4		7.1		5.1
Means of travel													
Automobile	32.1		29.9		29.8		26.1		28.2		31.4		33.7
Airplane	19.4		19.1		18.3		18.3		18.1		20.4		17.7
Other	4.3		4.1		3.8		4.5		5.0		4.6		3.9

(p)—preliminary (r)—revised

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